

Message Text

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PAGE 01 TOKYO 07477 01 OF 02 261046Z
ACTION EB-08

INFO OCT-01 EA-12 ISO-00 DODE-00 NSAE-00 ICA-20
TRSE-00 SOE-02 DOE-15 CIAE-00 COME-00 /058 W
-----056790 261050Z /11
R 261026Z APR 78
FM AMEMBASSY TOKYO
TO SECSTATE WASHDC 7416

UNCLAS SECTION 01 OF 02 TOKYO 07477

EXCON

E.O. 11652: NA
TAGS: ESTC, JA
SUBJECT: DIB-678P PROCEDURE: MTT INSTRUMENTATION
CO., LTD.

REF: STATE 87834

1. EMBASSY CONSIDERS IT MORE APPROPRIATE FOR OEA/CD
TO ADVISE MOTTO TRADING CO., LTD. (MOTTO), TO RE-
SUBMIT THE DIB-678P WHEN ITS JAPANESE DISTRIBUTOR,
MTT INSTRUMENTATION CO., LTD. (MTT), CAN BE MORE
SPECIFIC CONCERNING THE KINDS OF COMMODITIES AND THEIR
VOLUME TO BE IMPORTED FROM MOTTO AND DISTRIBUTED IN
JAPAN UNDER DIB-678P PROCEDURES.

- WE FIND MTT'S PRESENT CIRCUMSTANCES A BIT WEAK IN
MEETING REQUIREMENTS OUTLINED IN PART 373.3 OF THE
EXPORT ADMINISTRATION REGULATIONS, ALTHOUGH MTT
APPEARS TO HAVE A SOUND BUSINESS STANDING AND IS THE
EXCLUSIVE JAPANESE IMPORT AGENT FOR TWO AMERICAN MANU-
FACTURERS.

UNCLASSIFIED

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PAGE 02 TOKYO 07477 01 OF 02 261046Z

2. MTT WAS FOUNDED IN MARCH 1971 UNDER THE NAME OF
K. K. MTT AS AN IMPORT AGENT FOR NATIONAL CAPACITOR
INC., A MANUFACTURER OF SEMICONDUCTORS IN LAURENCE,
MASS. ITS AGENT RELATION WITH NATIONAL CAPACITOR
SOON CAME TO AN END WITH FEW IMPORTS, BUT THE FIRM
BEGAN ITS OWN PRODUCTION OF POWER SUPPLIES AND
INDUSTRIAL MEASURING DEVICES IN 1972 AND CHANGED ITS

NAME TO MTT INSTRUMENTATION CO., LTD., IN JUNE 1976. AT PRESENT, MTT IS CAPITALIZED AT 21 MILLION YEN, HAS 16 EMPLOYEES, AND HAS ITS HEAD OFFICE AT NO. 4-403, YOYOGI 4-31, SHIBUYA-KU, TOKYO, JAPAN. IT HAS BUSINESS OFFICES AT THE ADDRESS LISTED REFTEL AND AT TAKASAKI PLANT AT NO. 9, SHIMOYOKO-CHO, TAKASAKI CITY, GUMMA PREF., JAPAN. SINCE JANUARY 1975, MTT HAS BEEN SERVING AS AN EXCLUSIVE IMPORT AGENT FOR THE DORIC SCIENTIFIC DIV. OF EMMERSON ELECTRIC CO., A MANUFACTURER OF DATA LOGGERS AND DIGITAL PANEL METERS IN SAN DIEGO, CALIF.; AND FOR DATA INSTRUMENT (FORMERLY TYCO INSTRUMENT) CO., A MANUFACTURER OF SEMICONDUCTOR PRESSURE TRANSDUCERS IN LEXINGTON, MASS. MTT IS NOT ENGAGED IN ANY EXPORT OR RE-EXPORT BUSINESS. MTT'S DOMESTIC CUSTOMERS INCLUDE JAPAN ATOMIC POWER RESEARCH INSTITUTE, NIPPON STEEL CORP., TOYOTA MOTOR, AND OTHER LEADING GOVERNMENT RESEARCH INSTITUTES, MANUFACTURERS AND UNIVERSITIES IN NUCLEAR, STEEL, AUTOMOBILE, PETRO-CHEMICAL, ELECTRIC POWER, AND HEAVY MACHINERY INDUSTRIAL FIELDS. BETWEEN 1972 AND MARCH 1978, MTT DELIVERED TO THESE DOMESTIC CUSTOMERS 10,000 INSULATING AMPLIFIERS; 2,000 TEMPERATURE CONVERTERS; AND 100,000 POWER SUPPLIES MANUFACTURED AT ITS TAKASAKI PLANT, AS WELL AS 500 DATA LOGGERS AND DIGITAL PANEL METERS AS A DISTRIBUTOR FOR DORIC SCIENTIFIC DIV., AND 1,200 TRANSDUCERS FOR DATA INSTRUMENT CO. LOCAL BANK SOURCES REPORT THAT MTT IS UNCLASSIFIED

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PAGE 03 TOKYO 07477 01 OF 02 261046Z

RATHER SMALL IN SIZE WITH MONTHLY TURNOVER OF 20 TO 30 MILLION YEN BUT THAT THEIR TRANSACTIONS HAVE ALWAYS BEEN SATISFACTORY. EMBASSY WTDR ON MTT IS BEING FORWARDED SEPARATELY.

3. MR. YOSHIKATSU YANO, VICE PRESIDENT OF MTT WHO SIGNED THE 678P, PROVIDED THE FOLLOWING IN REGARD TO ITS RELATIONS WITH MOTTO:

- (A) MTT'S BUSINESS RELATION WITH MOTTO STARTED IN JUNE 1977. ALTHOUGH MTT WAS NOMINATED AS A NON-EXCLUSIVE DISTRIBUTOR IN JAPAN OF PRODUCTS OF UNDEFINED AMERICAN MANUFACTURERS, WITH MOTTO AS AN EXPORTER, THERE IS NO WRITTEN DISTRIBUTOR AGREEMENT BETWEEN MTT AND MOTTO.

- (B) TO DATE, ONLY ONE SHIPMENT HAS BEEN SENT BY MOTTO TO MTT IN MARCH 1978 FOR \$10,000 WORTH OF PARTS FOR A CRATE CONTROLLER SYSTEM MANUFACTURED BY KINETICS SYSTEMS INC. THESE PARTS WERE DELIVERED TO, AND ARE NOW BEING INCORPORATED INTO, A NUCLEAR FUSION TESTING PLANT AT HITACHI LTD., ONE OF THE LARGEST MANUFACTURERS

OF ELECTRICAL EQUIPMENT IN JAPAN. THEY WILL BE DELIVERED TO THE JAPAN ATOMIC POWER RESEARCH INSTITUTE WHICH WILL BE AN END USER UNDER THE JFY 1978-82 JT-60 NUCLEAR FUSION TESTING PROJECT.

- (C) REGARDING THE COMMODITIES APPLIED FOR BY MOTTO (REFTEL) TO BE IMPORTED BY MTT UNDER DIB-678P PROCEDURES, MTT IS NOT IN A POSITION TO ESTIMATE FUTURE TRANSACTION VOLUME WITH MOTTO. MTT HAS NO PLANS TO HANDLE CASSETTE RECORDERS NOW OR IN THE FUTURE. THERE MAY BE OPPORTUNITIES FOR MTT TO IMPORT, VIA MOTTO, PANEL METERS, TRANSDUCERS

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PAGE 01 TOKYO 07477 02 OF 02 261048Z
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UNCLAS SECTION 02 OF 02 TOKYO 07477

ETC., FROM AMERICAN MAKERS OTHER THAN DORIC SCIENTIFIC OR DATA INSTRUMENT, BUT HOW MUCH DEMAND FOR THESE ITEMS THERE WILL BE AMONG MTT'S PRESENT CUSTOMERS IS NOT KNOWN.

4. ACCORDING TO MR. YANO, MOTTO HAS MADE LITTLE ATTEMPT TO DISCUSS DIB-678P PROCEDURES WITH MTT. HE SENT HIS SIGNED 678P TO MOTTO SIMPLY BECAUSE MOTTO REQUESTED HIM TO DO SO. HE HAS HAD NO KNOWLEDGE OF PART 373.3 OF THE EXPORT ADMINISTRATION REGULATIONS. HE BELIEVES THAT MOTTO IS MAKING A ONE-SIDED APPLICATION FOR THE DISTRIBUTION LICENSE WITH NO IDEA OF THE SIZE OF POSSIBLE FUTURE ORDERS FROM MTT. MANSFIELD

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Secure: OPEN
Status: NATIVE
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